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The European Community's Presence in U.S. Agribusiness

H. Christine Bolling

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The European Community's Presence in U.S. Agribusiness, by H. Christine Bolling, Agriculture and Trade Analysis Division, Economic Research Service, U.S. Department of Agriculture. Foreign Agricultural Economic Report No. 245.

Abstract

West European countries, especially the United Kingdom, are the principal source of foreign investment in U.S. agricultural land and agribusinesses. But, such investment amounts to less than 1 percent of the total value of U.S. agricultural land and about 10 percent of the total assets of the U.S. food and beverage industry. European Community (EC) companies had \$29.4 billion invested in these sectors by 1990. EC investors' landholdings were concentrated mainly in timber (3.25 million acres) and pastureland (1.52 million acres). The EC investment in the United States is partially offset by U.S. investment in EC agribusiness.

Keywords: U.S. agribusiness, European Community, foreign direct investment, farmland

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Use of company names in this report is for identification only and does not constitute endorsement by the U.S. Department of Agriculture.

Companion Report

The author has also put Japanese investments, which constitute less than 1 percent of total investment in U.S. farmland and agribusiness, into perspective. This report, The Japanese Presence in U.S. Agribusiness (FAER-244), is available through ERS-NASS by calling 1-800-999-6779. Cost is \$8.00.

Contents

Definition of Terms	iii
Summary	iv
Introduction	1
The Theoretical Basis for Foreign Investment	2
The Reasons for EC Investment in the 1980's	4
EC Investment in U.S. Agricultural Land	5
EC Investment in U.S. Agribusiness	9
EC Conglomerates in U.S. Agribusiness	10
Economic Effects	13
References	16
Appendix	18

Definition of Terms

Foreign direct investment is the investment by a company, group, or individual in new facilities, in existing enterprises, or in land and natural resources, located within another country. Foreign direct investment is defined by the U.S. Department of Commerce as an investment of 10 percent or more in an enterprise. An investment of this amount usually permits the investor to gain some degree of influence or control over the decisionmaking of an enterprise.

Portfolio investment refers to an investment of less than 10 percent. It is considered to be motivated by the potential return on investment, and not by the desire to influence the management of the enterprise.

Mergers and acquisitions refer to investments in established businesses. **Greenfield** investments refer to the establishment of new enterprises.

Agribusiness is defined here to include agriculture, the food and beverage industry, agricultural chemicals and machinery, wholesale agricultural products, retail grocery stores, and restaurants. The U.S. Department of Commerce Standard Industrial Classification (SIC) codes were used as a guide.

Unitary tax method is a method of taxation whereby taxes are determined by a percentage of a company's worldwide profits to prevent multistate and multinational corporations from shifting profits from a high-tax State or country to a low-tax area.

Water's edge method is a method of taxation whereby taxes are based on income earned in the particular State.

Summary

West European countries, especially the United Kingdom, are the principal source of foreign investment in U.S. agricultural land and agribusinesses. Investments by European Community (EC) corporations amount to about 10 percent of the total assets in the U.S. food-processing industry and less than 1 percent of the U.S. agricultural land base. The largest share of EC-owned agricultural land is in timberland (3.2 million acres).

EC companies' investments in U.S. agricultural land and agribusiness increased rapidly during the late 1980's, totaling \$29.4 billion in 1990, or 69 percent of all foreign direct investment in U.S. agricultural land and agribusiness. EC investors rank second only to Canadian investors in ownership of U.S. agricultural land and are the leading foreign owners of U.S. agribusinesses, particularly in the food-processing sector. They have invested in U.S. name-brand food products and beverages, fast-food chains, retail foodstores, and grain storage.

This report describes the types of investment in U.S. agriculture and agribusiness made by EC companies, puts that investment into perspective in the context of the U.S. economy, and examines the reasons for the rapid increase in investment during the late 1980's.

Economic theory tells us that the host country benefits from foreign direct investment through increased employment and labor income. EC affiliates employ 120,000 persons in the U.S. food and kindred products industries and another 204,000 persons in retail foodstores and other retail trade. Only a small portion of these jobs represent a gain in jobs since less than 10 percent of the EC investments involves new investment; most represent just a change in ownership.

Some investments occurred because EC entrepreneurs had excess funds to invest. The late 1980's were an era of mergers and acquisitions in both the United States and the European Community. Ownership in U.S. companies also allowed European corporations easy access to the growing and relatively affluent U.S. market. Changes in business taxes, such as the repeal of the unitary tax system in nine States, including California, also opened up opportunities for expansion in the United States.

The European Community's Presence in U.S. Agribusiness

H. Christine Bolling

Introduction

Foreign direct investment theoretically contributes to the growth of employment and income in the host country. U.S. policy generally has been to welcome foreign direct investment. However, some economists have expressed concern about the growing dependence of the United States on foreign direct investment (17).¹

This report puts into perspective the size and extent of EC investments in U.S. agriculture during the 1980's. EC investment in U.S. agricultural land and agribusiness increased rapidly in both nominal and real dollars. EC investment in agricultural land rose from \$1.6 billion (nominal) in 1980 to \$4 billion (nominal) in 1990. Even when deflated by the U.S. gross domestic product (GDP) index, the EC investment in U.S. land nearly doubled.

EC investment in U.S. food and kindred products, the principal component of U.S. agribusiness, increased nearly fivefold (deflated dollars) to almost \$18 billion during the 1980's. The more conspicuous investments include Food Lion markets, Central Soya, Good Humor Ice Cream, Hardee's, Purina Mills, Almaden Vineyards, Keebler, and Pillsbury. However, several aggregate measures illustrate the small proportion of total agricultural investment originating from the European Community.

- EC investors' ownership of U.S. agricultural land amounts to less than 1 percent of the total value of U.S. agricultural land (5).
- EC companies' investments in U.S. food and kindred products comprise 10 percent of the total assets in that industry (19).
- The \$30 billion invested in U.S. land and agribusinesses comprise 13 percent of the total EC direct investment in the United States (table 1).
- The U.S. and EC food industries are intertwined. Six of the top 50 food manufacturing firms in the United States are EC-based, and 11 of the top 50 EC firms are U.S.-based.

¹ Underlined numbers in parentheses refer to sources listed in the References.

Table 1--Two-way foreign direct investment between the United States, all other countries, and EC, 1990

Category	Foreign direct investment in the United States	U.S. direct investment abroad
<i>Million dollars</i>		
All countries:		
All industries	403,735	370,091
Food industry	22,875	13,464
Other agribusinesses	9,286	20,696
Total food and agribusinesses	32,161	34,160
Agricultural land	10,340	N.A.
EC:		
All industries	229,913	162,523
Food industry	17,947	7,081
Other agribusinesses	7,481	5,213
Total food and agribusinesses	25,428	12,294
Agricultural land	4,012	N.A.

N.A. = Not available.

Source: (5, 19).

The Theoretical Basis for Foreign Investment

National income accounting demonstrates that a country in which domestic investment (including government investment) exceeds domestic saving (including government saving) has a current account deficit, and that the current account deficit must be financed by foreign capital inflows. Conversely, if a country has domestic saving exceeding domestic investment, it has a current account surplus that engenders capital outflows. The savings/investment gap is the outcome of many factors such as individual and social choices to save or consume, and how these choices relate to productivity and international competitiveness, market access, and other complex economic factors (21).²

Much has been written about the possible gains and losses that foreign capital inflows might bring to host countries (1, 2, 3, 13). In the neoclassical analysis, a firm maximizes profits and produces one

² Current account deficits may engender, but not directly cause, foreign direct investment. The foreign input may also be loans or investment in stocks and bonds.

product with two inputs (capital and labor), using a given technology. An optimal level of production is reached when the value of the marginal product for labor equals the price of labor and the value of the marginal product for capital equals the price of capital (that is, the interest rate) (7, p. 80). The demand for labor is a function of the price of the product produced, the price of labor, and the price of capital. Likewise, the demand for capital is a function of the price of the product, the price of labor, and the price of capital. When capital is free to flow among countries, it will seek the highest returns, as measured by the value of its marginal product. In the international arena, the argument extends as follows for the host and capital-exporting countries.

Foreign direct investment occurs because the productivity of capital is greater in the host country than in the capital-exporting country (7, 21). Foreign direct investment changes the relative supplies of labor and capital in both the capital-exporting country and the host country. In the host country, foreign direct investment makes capital more abundant and the interest rate falls. This increases the capital-labor ratio, causing the returns to labor and, thus, wages to rise. In the capital-exporting country, emigration of capital has the opposite effect on capital and labor. In short, foreign direct investment changes relative prices and the distribution of income in both countries.

Product markets are also affected in both countries. In the host country, the output of capital-intensive products rises as the interest rate falls. The reverse occurs in the capital-exporting country. On balance, there is a net gain to the gross national products of both countries, which takes the form of additional wage income in the host country and additional capital income in the capital-exporting country. This benefit to both the host and capital-exporting countries is the crux of the economic argument for foreign direct investment.

Free movement of resources is beneficial to the world economy (12). When capital is attracted from one country to another by a higher rate of return, it flows from areas where it is relatively abundant and cheap to areas in which it is relatively scarce and expensive, until returns to capital are equalized the world over. This flow raises total real output, as the additional output from labor brought about by investment in the host country exceeds the diminution of output from labor in the donor country (3, 7, 21).

Economic theory predicts that foreign investments help the host country's balance of payments, in the short run through the inflow of capital and, in the long run, through the export of products produced in the new plants. As income in the host country rises, savings also rise, and the entire economy grows more rapidly. International capital flows often finance projects that use technology unfamiliar in the host country. This transfer of technology permits the host country to produce at a higher, more efficient level of output.

Tariffs, quotas, and other market-distorting mechanisms can obscure the benefits of foreign direct investment to the host country (6). To the extent that market distortions raise the profits of foreign-owned firms, the gains to foreign producers represent a net cost to the citizens of the host country. In any industry where foreign firms control a substantial part of production, domestic companies will be more concerned with the redistribution effects toward or away from these firms than with efficiency gains or losses industrywide. From a global perspective, gains to foreign-owned firms represent an international redistribution of income.

The Reasons for EC Investment in the 1980's

The U.S. economic climate of the 1980's encouraged foreign direct investment. The United States ran a large current account deficit, where domestic investment exceeded domestic savings, during most of the 1980's. The current account deficit had to be financed by foreign capital inflows such as foreign loans, foreign investment in U.S. stocks and bonds, or foreign direct investment.

State tax laws pertaining to multinationals also changed in key States (California) during the 1980's. The unitary corporate income tax method was repealed in several States between 1984 and 1986. The adopted "water's edge" approach made State income tax regimes more favorable to foreign multinational companies. Under the unitary tax method, taxes are determined by a percentage of a company's worldwide profits, not by the income earned in the particular State. This method is designed to prevent multistate and multinational corporations from shifting profits from a high-tax State or country to a low-tax area. Only Alaska, North Dakota, and Montana continue to use the unitary tax system.

The Federal tax system also encouraged foreign direct investment, particularly in the early 1980's. The Economic Recovery and Tax Act of 1981 legislated a phased liberalization of business taxes by reduction of the marginal tax rate, increased rate of depreciation, and increased investment tax credits. The Tax Reform Act of 1986 tightened up some of the liberalized tax rules of the 1981 Act by lengthening the time period for depreciation, but lowered general tax rates offset this disadvantage.

The 1980's saw corporate mergers and acquisitions in Europe as well as in the United States, as multinational companies extended their domestic and international interests. The U.S. food industry was as caught up in mergers in the 1980's as were many other industries.

Macroeconomic conditions abroad also favored investment in the United States. The United Kingdom, the Netherlands, and Germany enjoyed an affluent period during most of the 1980's. Foreign reserves grew to unprecedented levels during the latter half of the decade for all three countries, even though the United Kingdom ran current account deficits from 1987 to 1990 (app. table 1). U.K. debt occurred because some U.K. investors made loans or floated bonds to finance their acquisitions in the United States.

Another factor encouraging investment in the United States in the late 1980's was the dollar's devaluation relative to European currencies. After strengthening with respect to the British pound, the Dutch guilder, and German mark from 1980 to 1985, the dollar weakened until 1988. The dollar has fluctuated since 1988, but has not regained the strength it had in the mid-1980's (app. table 2).

The United States was an increasingly favorable haven for investments during the 1980's. Many countries that had been hosts for European investments suffered from foreign debt and general economic crises. In contrast, EC companies viewed the U.S. market as affluent and growing. This caused European investors to shift funds from developing countries in Latin America, Asia, and Africa to the United States. Foreign direct investment in developing countries slumped to a fifth of total foreign direct investment during the 1980's, down from a third in the 1970's, according to the United Nations Centre on Transnational Corporations (22).

Returns on capital, as measured by interest rates, also favored investment in the United States. Nominal and real interest rates were higher in the United States than in Germany and the Netherlands for most of the 1980's. U.K. nominal and real interest rates were higher than U.S. rates in the late 1980's.

Foreign direct investment was also used as a hedge against inflation, a means of transferring resources and technology, and a method of balancing portfolios (14). The United States has traditionally experienced relatively stable prices and costs compared with other countries. The U.S. inflation rate was considerably lower than in most other countries during the 1980's.

EC Investment in U.S. Agricultural Land

The European Community is the second largest source of foreign investment in U.S. agricultural land, after Canada. The European Community ranks first when joint U.S./U.K. investment projects are counted. EC companies realigned their investments in U.S. agricultural land during the 1980's, buying more expensive property. EC investors' ownership of U.S. land increased slightly in area, from 5.7 million acres in 1981 to 6.1 million acres in 1990 (table 2). However, the value of land owned by EC investors multiplied from \$1.6 billion to \$4 billion during the decade, mostly reflecting changes in the types of land purchased (table 3). In constant 1987 dollars, the value of land increased from \$2.7 billion in 1980 to \$5.2 billion in 1990.

The most notable changes from 1981 to 1990 include a large increase in joint U.S./U.K. and U.S./Dutch landownership, and a sharp decline in U.S./French agricultural properties. In 1990, 1.5 million acres of U.S. agricultural land were held by sole EC interests, compared with 4.6 million acres in joint ventures (table 2).

German investors were the largest EC sole proprietors, followed by U.K. investors. The United Kingdom and France led other EC countries in joint ventures with U.S. partners. Joint ventures between U.S. and U.K. partners made up 43 percent of all direct investment in agricultural land by EC interests. Companies headquartered in France, Germany, Greece, Ireland, the Netherlands, and the United Kingdom invested most heavily during the early 1980's, while Portuguese and Danish companies invested more during the latter half of the decade.

Forestland comprises 53 percent of the EC investments in U.S. agricultural land (table 4), followed by pastureland (25 percent) and cropland (15 percent). U.S./U.K. holdings of large lumber and paper companies constitute the largest share of forestland owned by EC investors, followed by U.S./French ventures. Some European corporations chose forestland as an investment because of European import requirements for forest products and paper. U.S./U.K., U.S./Dutch, and U.S./German joint owners are the largest EC holders of pastureland. German and U.S./German joint owners, followed by U.S./U.K. joint owners, hold the bulk of EC-owned cropland in the United States.

EC investors have purchased land in nearly every State (fig. 1). Most investments are scattered, amounting to less than 1,000 acres per county. Fifteen States have counties with over 10,000 acres owned by EC investors, and only five States have counties with over 100,000 EC-owned acres. Most of the larger investments consist of forestland.

Table 2—EC ownership of U.S. agricultural land

Country	1981	1990
<i>Acres</i>		
Sole proprietor holdings:		
Belgium	64,949	63,372
Denmark	11,838	9,682
France	47,892	87,883
Germany	605,239	729,924
Greece	56,258	57,423
Ireland	10,358	10,705
Italy	11,225	83,243
Luxembourg	4,564	6,485
Netherlands	128,994	127,208
Portugal	0	816
Spain	2,704	2,162
United Kingdom	327,939	311,306
Total	1,271,961	1,490,209
Joint ventures:		
U.S./Belgium	55,364	78,737
U.S./Denmark	1,043	6,985
U.S./France	1,973,687	1,040,909
U.S./Germany	435,096	428,452
U.S./Greece	6,746	6,817
U.S./Ireland	0	3,004
U.S./Italy	76,166	20,214
U.S./Luxembourg	242,577	232,245
U.S./Netherlands	221,167	328,774
U.S./Portugal	0	1,683
U.S./Spain	5,496	4,214
U.S./United Kingdom	1,442,698	2,467,464
Total	4,460,040	4,619,498
Total investment	5,732,001	6,109,707

Source: (5).

Table 3--Value of EC investments in U.S. agricultural land

Year	Belgium	Denmark	France	Germany	Greece	Ireland	Italy	Luxembourg	Netherlands	Spain	Portugal	United Kingdom	Total
<i>1,000 dollars¹</i>													
Pre-1980	25,507	3,109	62,866	482,341	5,535	7,874	96,832	35,268	202,253	205	825	436,267	1,359,032
1980	9,518	0	17,985	148,662	1,267	0	2,831	3,047	54,140	4,401	65	36,532	278,448
1981	2,318	1,130	43,121	90,100	3,046	0	1,298	6,934	71,231	325	0	72,119	291,622
1982	1,632	242	34,842	77,842	0	0	1,295	6	115,455	275	0	56,692	288,291
1983	906	2,127	32,157	69,586	0	1,435	750	69	10,229	1,358	0	43,559	162,176
1984	1,332	0	109,910	66,416	0	13,272	550	1,270	68,695	0	2,009	42,841	306,295
1985	3,142	0	9,752	20,056	0	1,648	1,200	243	22,295	0	0	62,889	121,225
1986	2,326	2,875	9,161	150,223	552	163	4,624	0	13,167	2,760	0	258,674	444,525
1987	2,044	689	21,584	46,445	335	1,700	4,114	3,800	20,711	106	102	43,271	144,901
1988	857	3,815	35,255	34,662	5,700	99	6,465	0	13,106	3,660	0	68,717	172,336
1989	222	0	89,442	25,403	0	100	1,671	0	4,116	1,792	0	48,854	171,600
1990	11,114	189	39,208	15,318	0	0	6,315	800	5,285	825	0	109,584	188,638
1981-90	22,898	96,627	424,432	596,091	9,633	18,417	28,282	13,122	344,290	11,101	2,111	807,200	2,374,204
Cumulative	57,923	99,736	505,283	1,227,094	16,435	26,291	127,945	51,437	600,933	15,707	3,001	1,279,999	4,011,534
<i>1,000 1987 dollars²</i>													
Pre-1980	45,670	6,651	132,117	709,949	8,852	13,074	225,743	63,153	131,143	493	175	768,053	2,105,073
1980	13,274	0	250,083	207,338	1,767	0	3,948	4,249	75,509	6,138	293	50,951	613,550
1981	2,913	1,432	54,652	114,195	3,860	0	1,645	8,788	90,280	411	0	91,405	369,581
1982	1,947	289	41,577	92,890	0	0	1,545	7	137,774	328	0	67,651	344,008
1983	1,038	2,439	36,877	79,800	0	1,645	860	79	11,730	1,557	0	49,952	185,977
1984	1,463	0	120,780	72,984	0	14,584	604	1,395	75,489	0	2,207	47,078	289,506
1985	3,328	0	10,330	21,245	0	1,745	1,271	257	23,617	0	0	66,619	128,412
1986	2,400	2,966	9,454	155,028	570	168	4,771	0	13,588	2,848	0	266,949	458,742
1987	2,044	689	21,584	46,445	335	1,700	4,114	3,800	20,711	106	102	43,271	144,941
1988	825	3,671	33,931	33,360	5,486	95	6,222	0	12,614	3,522	0	66,138	181,735
1989	205	0	82,511	23,434	0	92	1,541	0	3,797	1,653	0	45,068	167,812
1990	9,844	167	34,728	13,567	0	0	5,593	708	4,681	731	0	97,062	167,081
1981-90	26,007	11,653	446,424	652,948	10,251	20,029	28,166	15,034	394,281	11,156	2,309	841,193	2,459,451
Cumulative	84,951	18,304	603,624	1,570,235	20,870	33,103	257,857	82,436	600,933	17,787	2,777	1,660,197	5,178,074

¹ Nominal.² Values are deflated by the U.S. gross domestic product (GDP) index, where 1987 = 100.
Source: [5].

Figure 1
EC-12 investment in U.S. farmland, by acreage and county

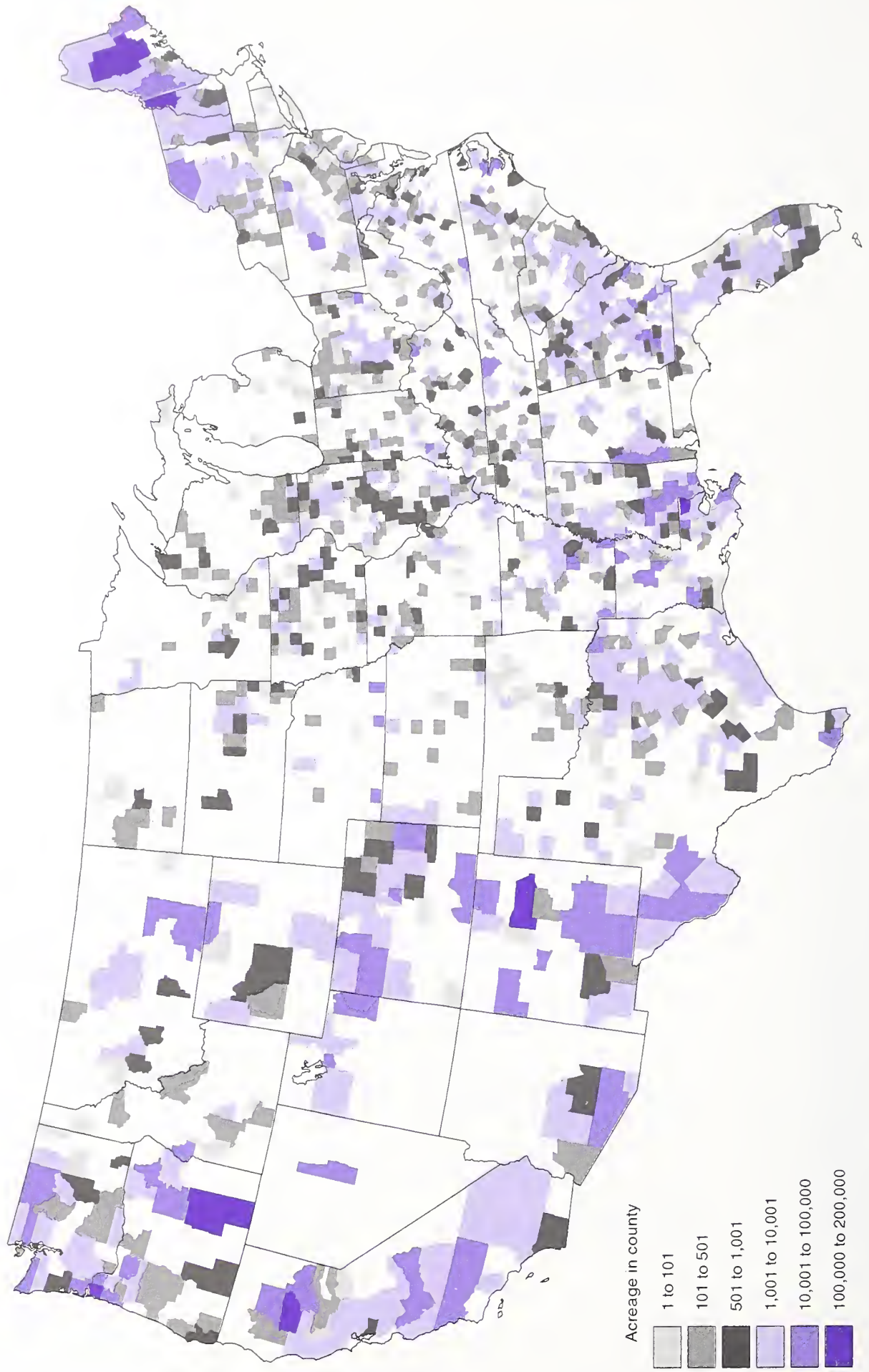


Table 4--EC ownership of U.S. agricultural land by use, 1990¹

Country	Cropland	Pastureland	Forestland	Other agricultural land	Non- agricultural land	Total
<i>Acres</i>						
Belgium	23,700	93,477	17,462	3,728	3,742	142,109
Denmark	6,941	747	8,349	136	494	16,667
France	67,969	56,839	923,229	66,644	14,111	1,128,792
Germany	474,818	360,970	239,017	45,106	38,465	1,158,376
Greece	1,592	59,182	321	10	3,136	64,241
Ireland	3,315	7,434	202	343	2,415	13,709
Italy	42,613	28,370	9,035	9,184	14,255	103,457
Luxembourg	13,658	164,949	5,349	46,698	8,076	238,730
Netherlands	108,515	236,322	39,118	50,329	21,698	455,982
Portugal	1,926	253	200	0	120	2,499
Spain	2,988	1,865	636	615	162	6,376
United Kingdom	158,668	516,068	2,014,063	37,403	52,568	2,778,770
Total	906,703	1,526,476	3,256,981	260,306	159,241	6,109,707

¹ Listings include joint U.S./EC holdings.
Source: (5).

Many States have large investments from several countries. California, Colorado, Nebraska, New Mexico, Georgia, and Pennsylvania have large amounts of land owned by the United Kingdom, Germany, and the Netherlands. Some EC companies have large investments in particular States. German interests own large areas of cropland in Arkansas and extensive areas of forestland and pastureland in Virginia, as well as cropland and pastureland in Texas. U.K. investors own large tracts of forestland in Louisiana, Kentucky, Tennessee, Idaho, Oregon, Vermont, Washington, New York, and Florida. French business investments include Maine and New Hampshire forestland.

EC Investment in U.S. Agribusiness

The European Community is the largest source of foreign investment in U.S. agribusiness, especially in the food-processing subsector. The United Kingdom surpassed the Netherlands in 1989 as the leading source of foreign investment in U.S. agribusiness.

EC companies' stake in U.S. agribusiness grew from \$15 billion in 1987 to \$25 billion in 1990 (table 5), comprising 80 percent of the total foreign direct investment in U.S. agribusiness in each year. Food and kindred products comprised the largest share of this investment. EC investment in food and kindred products, including processed fruits and vegetables, frozen dinners, wine, cheese, bottled

water, and soft drinks, nearly doubled from 1987 to 1989.³ EC interests also own several fast-food and retail grocery chains, such as Burger King. Investments in textiles started from a lower base but grew rapidly to reach \$2 billion in 1990.

Until 1990, EC investors brought new capital into U.S. agribusiness. In 1990, however, the total EC investment in U.S. agribusiness slowed. EC companies withdrew \$1.3 billion from the U.S. food and kindred products industries, causing their investment in that industry to decline 9 percent. Germany and the United Kingdom were the principal countries divesting funds out of the U.S. food and kindred products industries, while companies headquartered in the Netherlands continued to bring in new capital.

The German presence in U.S. agribusiness declined in 1989 and 1990 (table 6). The decline in investment in U.S. food and kindred products represents the payment of loans to an overseas German affiliate, not the sale of a food manufacturing company in the United States. German investments in wholesale groceries and retail foodstores rose.

Nearly all of the Dutch investments in U.S. agribusiness are concentrated in food and kindred products (table 7). While Dutch investments in food and kindred products increased rapidly in 1989 and 1990, investments in wholesale grocery establishments and retail foodstores mostly declined. However, Ahold retained its position as the 13th largest food retailer in the United States, with U.S. sales of \$4.4 billion in 1990.

Companies headquartered in the United Kingdom also invested heavily in U.S. food and kindred products, with their investments increasing from \$4 billion in 1987 to \$10 billion in 1989 (table 8). But in 1990, U.K. companies' investments in U.S. food and kindred products declined to \$9 billion.

EC Conglomerates in U.S. Agribusiness

The food and kindred products industries in both the United States and the European Community are characterized by a dominant core of large firms and a fringe of smaller firms. The dominant firms typically have transnational interests and a highly diversified product range. The 50 largest food-manufacturing firms in the United States account for 50 percent of all U.S. food-manufacturing output; the 50 largest food manufacturers in the European Community account for nearly 40 percent of all EC food production (9). Nestlé (a Swiss company, hence outside the EC) is the world's largest food-manufacturing company, followed by Philip Morris/Kraft General Foods (U.S.) and Unilever (U.K. and Netherlands). Six of the top 50 firms in the U.S. food industry are based in Europe: Nestlé (Switzerland), Unilever (U.K. and Netherlands), Grand Metropolitan (U.K.), United Biscuits (U.K.), Allied Lyons (U.K.), and Gruppo Ferruzzi (Italy) (table 10).

Many investments of the late 1980's were made by these large conglomerates as they extended their presence into the U.S. market. One of the largest acquisitions of 1989 was made by Grand Metropolitan, which invested \$5.8 billion to acquire the Pillsbury Company. When Grand

³ The nominal value of EC investment in the U.S. food and kindred products industry increased from \$1.7 billion in 1980 to nearly \$18 billion in 1990. The 1980 EC investment was equivalent to \$2.4 billion (1987 dollars), compared with the adjusted 1990 investment of \$13.8 billion.

Table 5--EC: Direct investment in U.S. agribusiness by economic sector

Economic sector	1980	1987	1988	1989	1990
<i>Million dollars</i>					
Food and kindred products	1,747	10,390	12,329	19,381	17,947
Farm and garden machinery	N.A.	1	2,458	362	1,268
Textile products and apparel	N.A.	743	1,468	1,721	1,953
Groceries and related products, wholesale	N.A.	1,040	1,380	1,304	1,025
Farm products, wholesale	N.A.	210	652	404	468
Foodstores	N.A.	1,853	1,602	1,590	2,142
Eating and drinking places	N.A.	N.A.	46	42	43
Agricultural production	N.A.	576	551	592	582
Total	N.A.	14,813	20,486	25,398	25,428

N.A. = Not available.

Source: (19).

Table 6--Germany: Direct investment in U.S. agribusiness by economic sector

Economic sector	1980	1987	1988	1989	1990
<i>Million dollars</i>					
Food and kindred products	38	650	638	589	91
Agricultural chemicals	N.A.	28	5	5	27
Farm and garden machinery	N.A.	6	6	7	6
Textile products and apparel	N.A.	149	195	268	244
Tobacco products	N.A.	2	-3	N.A.	-3
Groceries and related products, wholesale	N.A.	345	362	374	423
Farm products, wholesale	N.A.	5	10	11	10
Foodstores	N.A.	588	677	N.A.	976
Agricultural production	N.A.	251	280	263	237
Total	N.A.	2,024	2,170	2,194	2,011

N.A. = Not available.

Source: (19).

Table 7-- Netherlands: Direct investment in U.S. agribusiness by economic sector

Economic sector	1980	1987	1988	1989	1990
<i>Million dollars</i>					
Food and kindred products	879	5,260	6,255	6,744	7,267
Agricultural chemicals	N.A.	-1	5	5	N.A.
Textile products and apparel	N.A.	81	89	104	121
Tobacco products	N.A.	N.A.	N.A.	3	4
Groceries and related products, wholesale	N.A.	125	181	78	94
Farm products, wholesale	N.A.	6	N.A.	N.A.	N.A.
Foodstores	N.A.	639	571	537	N.A.
Agricultural production	N.A.	88	N.A.	N.A.	-3
Total	N.A.	6,198	7,101	7,471	7,483

N.A. = Not available.

Source: (19).

Table 8--United Kingdom: Direct investment in U.S. agribusiness by economic sector

Economic sector	1980	1987	1988	1989	1990
<i>Million dollars</i>					
Food and kindred products	453	4,131	4,356	10,481	8,793
Agricultural chemicals	N.A.	N.A.	N.A.	N.A.	N.A.
Textile products and apparel	N.A.	409	973	1,155	1,388
Groceries and related products, wholesale	N.A.	515	780	773	393
Farm products, wholesale	N.A.	285	437	178	200
Foodstores	N.A.	N.A.	N.A.	N.A.	N.A.
Eating and drinking places	N.A.	3	3	2	2
Agricultural production	N.A.	184	211	250	268
Total	N.A.	5,527	6,760	12,839	11,044

N.A. = Not available.

Source: (19).

Table 9--EC: Direct investment in U.S. agribusiness in 1987 dollars

Country	1980	1987	1988	1989	1990
<i>Million 1987 dollars</i>					
EC	2,426	14,813	19,694	23,513	22,502
Germany	52	2,024	2,086	2,030	1,778
Netherlands	1,220	6,198	6,828	6,918	7,483
United Kingdom	629	5,527	6,501	11,889	9,773

Source: Tables 6, 7, and 8. Values are deflated by the U.S. GDP index, where 1987 = 100.

Metropolitan purchased Pillsbury, it acquired many name-brand companies whose products range from wine to pet foods. Tate & Lyle PLC, a British-based sugar refiner, paid \$1.5 billion for Staley Continental Incorporated in 1989 and acquired Amstar Sugar Corporation, the largest cane sugar refiner in the United States.

Unilever, a Dutch/U.K. conglomerate, has a longstanding presence in the U.S. food industry. Unilever's holdings include Lever Brothers, a highly diversified company with products ranging from ice cream to soap. France's Perrier (recently purchased by Nestlé), best known for its mineral water, has purchased several U.S. bottled water companies as well. Food Lion, owned by a Belgian company, was the fastest growing chain of food retailers in the United States in 1991.

Economic Effects

Gains from foreign direct investment in the United States should occur in the form of increased employment and growth in GNP, coupled with some losses in returns on capital to domestic investors (3, 7). However, in more than 90 percent of the cases, EC companies purchased already existing companies, so the transfer of ownership did not necessarily create new jobs. Affiliates of EC companies in the United States have provided 120,000 jobs in the U.S. food and kindred products industry and another 204,000 jobs in retail foodstores and other retail trade (table 11). Textile manufacturing, wholesale trade in groceries, trade in farm products, and employment in agriculture, forestry, and fisheries also provided job opportunities. Salaries and benefits from this employment amounted to \$7.8 billion in 1989.

Since EC investment often represents an acquisition of existing property, only a few of the investments have brought in new plants. In these cases, European-brand breads, cookies and biscuits, yogurt, cheeses, prepared spaghetti sauces, candy bars, dried soups, soft drinks, and liquors are produced in the United States instead of being imported. Development of these products has added to employment as well as to the diversity of foods available to U.S. consumers.

Most of the agribusiness products made by EC affiliates have stayed in the United States. Indeed, the exports of these affiliates declined from \$11 billion in 1980 to \$7 billion in 1989. Of that \$7 billion, \$4 billion consisted of farm products, mainly lumber, exported by French companies (table 12).

Table 10--Ownership of U.S. food and kindred product affiliates by country and owner

Belgium	Italy	BAT Industries
Delhaize LeLion	Gruppo Ferruzzi	Burger Chef
Food Lion	Central Soya	Grisanti Incorporated
Food Town Stores	Innovative Pork Concepts	Hardee's
	Louisville Edible Oil Company	
	Plant Cell Research International	British Petroleum
France	Italgrain SPA	Purina Mills
Bongrain	Fowles Grain Company	Illinois Packing Company
Alta Dena Dairy	New England Milling Company	
Zausners Food Incorporated		Cadbury Schweppes
		Canada Dry
BSN Dannon	Netherlands	Cadbury Schweppes
Dannon Yogurt	Ahold NV	Dr. Pepper
	First National Supermarkets	Mott's Apple Products
Moët-Hennessey	Giant Food Stores, PA	RJR's Soft Drinks and Subs
Moët-Hennessey USA		Taylor Food Products, Inc.
Domaine Chandon Winery		
Simi Winery	Unilever	Dalgety
	JH Filbert	Lee Brand
Rhône-Poulenc	Gold Bond Ice Cream	Oshita Produce Company
Mobil's Crop Chemicals	Good Humor Ice Cream	Santa Fe Driscoll Packers, Inc.
	Lawrey's Foods	
Source Perrier	Lever Brothers, Inc.	Grand Metropolitan
Arrowhead Drinking Water	Lipton Company	Almaden Vineyards
Calistoga	Pennant Products	Alpo Pet Foods
Daisy Fresh Corporation	Ragu Food Company	Burger King
Poland Springs	Sheed's Food Products	Christian Brothers
Sorrento Cheese Company	Tio Sancho	Dry Milks, Inc.
Sunshine Water Company	Van dan Bergh Foods	Green Giant
	Wylers Powdered Soft Drinks	Haagen Dâaz Ice Cream
Vilgrain Group		Heublein's
Country Epicure	Koninklijke Wessanen	Geno's
	America Natural Snacks	Joan of Arc
Germany	Crowley Foods	Pillsbury Company
	Green's Dairy	Totino's
Henkel KGAA	Helluva Good Cheese	Western Dairy Products
Moore's Food Products	Ohio Pure Foods	
Process Chemical Division		United Biscuits
of Diamond Shamrock	United Kingdom	Bernardi Food Company
	Allied Lyons	Keebler Company
Tengelmann Group	Clos Dubois	Robert A. Johnston Ready Crust
Eagle Discount Supermarkets	DCA Food Industries Incorporated	Specialty Brands, Inc.
Great Atlantic and Pacific Tea	Hiram Walker, Incorporated	
Waldbaum, Incorporated	Tetley Tea Company	Tate and Lyle
Shopwell		Amstar Sugar Products
		Pacific Molasses Company
		Refined Syrups and Sugars Refineries
		Seed and Farm Supply, Inc.
		Staley Continental, Inc.

Table 11--U.S. employment by EC affiliates by industry, 1989

Economic sector	Total Europe	France	Germany	Nether-lands	United Kingdom
<i>1,000 employees</i>					
Food and kindred products	120.9	11.1	3.7	19.9	40.8
Beverages	16.1	4.8	1.2	N.A.	N.A.
Other	104.9	6.3	2.5	N.A.	N.A.
Textile products, apparel	27.3	2.3	5.0	.8	14.5
Groceries, wholesale	15.0	1.0	N.A.	1.6	5.4
Farm products, wholesale	10.8	8.3	N.A.	.1	.5
Foodstores, retail	204.5	12.4	86.2	32.1	N.A.
Agriculture, forestry, and fisheries	8.5	2.3	1.3	.4	3.3
Total	387.0	37.4	96.2	54.9	64.5

N.A. = Not available.

Source: (18).

Table 12--U.S. exports shipped by EC affiliates by industry, 1989

Economic sector	Total Europe	France	Germany	Nether-lands	United Kingdom
<i>Million dollars</i>					
Food and kindred products	598	35	9	29	187
Beverages	44	8	N.A.	0	0
Other	554	27	9	29	0
Textile products and apparel	113	N.A.	20	1	40
Groceries, wholesale	301	N.A.	N.A.	1	174
Farm products, wholesale	6,368	4,107	17	34	N.A.
Foodstores, retail	0	1	0	0	0
Agriculture, forestry, and fisheries	50	0	0	0	0
Total	7,430	4,143	46	65	401

N.A. = Not available.

Source: (18).

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Appendix table 1--Foreign reserves and current account position of selected EC countries

Year	Foreign reserves			Current account		
	United Kingdom	Netherlands	Germany	United Kingdom	Netherlands	Germany
<i>Billion dollars</i>						
1980	20.65	11.64	48.59	6.86	-1.16	-14.10
1981	15.24	9.34	43.72	14.13	3.55	-3.40
1982	12.40	10.13	44.76	7.99	4.70	4.98
1983	11.34	10.17	42.67	5.67	4.91	5.43
1984	9.44	9.24	40.14	2.30	6.33	9.47
1985	12.86	10.78	44.38	4.14	4.19	16.87
1986	18.42	11.19	51.73	.21	4.04	39.78
1987	41.72	16.00	78.76	-6.96	3.83	45.93
1988	44.10	16.08	58.53	-27.62	6.87	50.23
1989	34.77	16.51	60.71	-33.41	9.60	56.90
1990	35.85	17.48	67.90	-24.60	10.39	46.80

Source: (11).

Appendix table 2--Exchange rates of major EC currencies with respect to the U.S. dollar

Year	British pound	Dutch guilder	German mark
1980	0.429	1.9881	1.8177
1981	0.493	2.4952	2.2600
1982	0.571	2.6702	2.4266
1983	0.659	2.8541	2.5533
1984	0.748	3.2087	2.8457
1985	0.771	3.3214	2.9440
1986	0.682	2.4500	2.1715
1987	0.610	2.0257	1.7974
1988	0.561	1.9766	1.7562
1989	0.610	2.1207	1.8800
1990	0.560	1.8209	1.6157

Source: (11).

Appendix table 3--European Community investments in U.S. agribusiness

Company	Location	Economic activity	Investor	Year	Purchase price
Belgium:					
TH Agriculture and Nutrition Division	IL	Agricultural chemicals	Solvay & Cie	1984	N.A.
Food Lion, Inc.	Salisbury, NC	Supermarkets	Delhaize LeLion Group	1987	N.A.
Universal Foods Stella Cheese Division	Peru, IN	Cheese	RT Holdings SA	1990	N.A.
France:					
Agraseed Research International	CA	Biotechnology	Rhone-Polenc SA	1984	N.A.
Alta Dena Certified Dairy	Los Angeles, CA	Dairy	Bongrain SA	1989	N.A.
Arrowhead Drinking Water Company	Monterey Park, CA	Bottled water	Source Perrier SA	1987	\$250 million
Auchan Supermarket	Houston, TX	Supermarkets	Auchan Group	1989	N.A.
Bayshore Foods Incorporated	Salisbury, MD	Poultry	Imperial Group Ltd.	1979	\$24 million
Beatrice Foods/ Dannon Company	New York, NY	Dairy products	ESN Gervais Danone	1981	\$84.3 million
Borden's Hotel Division, Butter Group	New York, NY	Dairy products	Sociedad de Diffusion Internacionale Alimentaire	1989	N.A.
Calistoga Water Company	Los Angeles, CA	Bottled water	Source Perrier SA	1987	N.A.
Calkins Citrus Company	Indiantown, FL	Citrus packing	Cie de Navigation Mixte	1988	\$130 million
Chalone, Inc.	San Francisco, CA	Winery	Baron Eriede de Rothchild	1987	N.A.
Country Epicure, Inc.	Ketonah, NY	Cookies, crackers	Vilgrain Family	1990	N.A.

Continued--

Appendix table 3--European Community investments in U.S. agribusiness--Continued

Company	Location	Economic activity	Investor	Year	Purchase price
Daisy Fresh Corporation	Los Angeles, CA	Cheese	Source Perrier SA	1987	N.A.
Domaine Carneros	Sonoma, CA	Winery	Taillinger Cie Comm et Viticole	1988	N.A.
Dressel's Bakeries	Chicago, IL	Bakeries	Institute of Development Industries Agricoles	1987	N.A.
Fanny Farmer Candies	OH	Candies	Poulain Industries	1984	N.A.
Fisher Packing Company	Louisville, KY	Meats	Bongrain SA	1988	\$35 million
Lenoire Candies	TX	Candies	Lenoire	1984	N.A.
International Seeds, Inc.	Halsey, OR	Seed company	Cebeco-Handelsrand	1988	N.A.
Lacheminee Restaurant	CA	Restaurant	Sonotel Corporation	1986	\$400,000
Lea Perrins	N.A.	Food flavorings	BSN Cie	1988	\$338.5 million
Meadow Gold Ice Cream	New York, NY	Ice cream	Societe Agro-Alimentaire	1989	N.A.
Moët-Hennessey USA Corporation	Los Angeles, CA	Wineries	Moët-Hennessey	1981	N.A.
Mobil's Crop Chemical Assets Division	TN	Agricultural chemicals	Rhône Poulenc SA	1981	N.A.
Mothers Cake and Cookie Company	Oakland, CA	Cookies, biscuits	RT Holdings SA	1990	N.A.
Opus One	Napa, CA	Winery	Robert Mondavi Winery, Chateau Mouton-Rothchild	1989	N.A.
Quaker Oats Burry Division	Chicago, IL	Cookies, biscuits	Generale Biscuit SA	1980	\$12 million
Poland Springs Bottled Water	Poland, ME	Bottled water	Source Perrier SA	1987	N.A.
Piasa Pet Products	Hartford, IL	Pet foods	Ets Guyomarch	1988	N.A.
Preston Cheese Company	Preston, WI	Cheese	Couturier Family	1989	N.A.
Saratoga Bottled Water Company	Saratoga, NY	Bottled water	BSN Cie	N.A.	N.A.
Scharffenberger Cellars	Philo, CA	Wineries	BSN Cie	1989	\$5 million

Continued--

Appendix table 3--European Community investments in U.S. agribusiness--Continued

Company	Location	Economic activity	Investor	Year	Purchase price
Schramsberg/ Remy	Napa, CA	Winery	E. Remy Martin & Cie SA	1982	N.A.
Seafood Broiler Restaurant	Lakewood, CA	Restaurant	Accor SA	1987	N.A.
Sierra Spring Water Company	Sacramento, CA	Bottled water	Cie Generale des Eaux	1988	\$38 million
Simi Winery	Healdsburg, CA	Winery	Moët-Hennessy	N.A.	N.A.
Sorrento Cheese Company, Incorporated	Buffalo, NY	Cheese	Source Perrier SA	1988	N.A.
Sunshine Water Company	Tampa, FL	Bottled water	Source Perrier SA	1987	N.A.
Thriftmark Incorporated	CA	Restaurant	Establishment Economic du Casino Guichard	1984	\$116 million
Union Carbide's Worldwide Agricultural Products Division	Danbury, CN	Agricultural chemicals	Government of France	1986	\$575 million
Vie de France Corp.	McLean, VA	Restaurants	Vilgrain Family	1987	N.A.
Yoo-hoo Chocolate Beverage Corporation	Carlstadt, NJ	Beverages	Pernod Ricard SA	1988	N.A.
Zausner Food, Incorporated	PA	Dairy products	Bongrain SA	N.A.	N.A.
Zephyr Hills	Zephyr Hills, FL	Bottled water	Source Perrier SA	1987	N.A.
Germany:					
Albertsons, Inc.	Boise, ID	Supermarkets	Theo Albrecht	1989	\$38 million
Austin Foods Company	Charlotte, NC	Cookies, biscuits	H. Bahlsen Keksbabrik KG	1986	\$5 million
Best Yet Foods	Chatsworth, GA	Supermarkets	Franz Haniel & Cie	1980	\$1.4 million
Borman's, Incorporated	Detroit, MI	Supermarkets	Tengelmann GMBH	1989	\$39 million
Buena Vista Winery	Sonoma, CA	Winery	A. Roche Company	1979	N.A.
Celgene Corporation	Warren Township, NJ	Biotechnology	Hoechst Corporation	1987	N.A.

Continued--

Appendix table 3--European Community investments in U.S. agribusiness--Continued

Company	Location	Economic Activity	Investor	Year	Purchase price
Eagle Discount Supermarkets	Rock Island, IL	Supermarkets	Tengelmann GMBH	1984	N.A.
Gateway Foods, Incorporated	LaCrosse, WI	Groceries, wholesale	Franz Haniel & Cie	1989	N.A.
General Mills Pioneer Products Division	Ocala, FL	Candies	Schwartauer Werke GMBH and Co.	1988	N.A.
Great Atlantic & Pacific Tea	Montvale, NJ	Supermarkets	Tengelmann GMBH	1980	\$4.4 million
General Mills Chemicals, Inc.	Minneapolis, MN	Agricultural chemicals	Henkel GMBH	1977	\$75 million
Haywood Winery	Sonoma, CA	Winery	Racke International	1990	N.A.
Moore's Food Products	WI	Fresh, frozen products	Clorox, Co.	1978	\$4.7 million
Moxie Industries, Incorporated	GA	Beverages	Peter Eckes	1984	\$1.3 million
Mount Veeder Winery	Napa, CA	Winery	Peter Eckes	1989	N.A.
Nor-Am Agricultural Products Inc.	Chicago, IL	Groceries, wholesale	Schering AG	1975	\$9 million
Pioneer Hy-Bred International Poultry Divisions	Des Moines, IA	Poultry breeding	Lohmann Apparatebau GMBH	1978	\$7.5 million
Process Chemical Division of Diamond Shamrock	Morristown, NJ	Agricultural chemicals	Henkel KGAA	1987	N.A.
Rohm and Haas Seed Business	Philadelphia, PA	Seed company	KWS Kleinwanzebener Saatzucht AG	1987	N.A.
Royal Foods Company	San Jose, CA	Fruits and vegetables, wholesale	Albert Fisher Group PLC	1989	\$11 million
Furr's Supermarkets	El Paso, NM	Supermarkets	Asko Deutsche Kaufhaus AG	1987	N.A.
Waldbaum, Inc.	Central Island, NY	Supermarkets	Tengelmann GMBH	1987	\$149.2 million
Wayne Candies Incorporated	Fort Wayne, IN	Candies	Storck KG	1981	\$1 million

Continued--

Appendix table 3--European Community investments in U.S. agribusiness--Continued

Company	Location	Economic activity	Investor	Year	Purchase price
Italy:					
Benneton USA	NC	Knitting mills	Benneton Family	1986	\$5 million
Central Soya Corporation	Fort Wayne, IN	Prepared feeds	Gruppo Ferruzzi	1986	\$360 million
DDL Foodshow	Los Angeles, CA	Restaurant	Dino DeLaurenti	1984	N.A.
Lazzaroni's Bakery	New York, NY	Bakeries	D. Lazzaroni & Company	1981	New plant valued at \$2.5 million
Innovative Pork Concepts	Delphi, IN	Pork processing	Gruppo Ferruzzi	1989	N.A.
Louisville Edible Oil Company	Louisville, KY	Vegetable oils	Gruppo Ferruzzi	1980	N.A.
Bice Restaurant	New York, NY	Restaurant	Bice Restaurant	1987	N.A.
Fowles Grain Company	St. Louis, MO	Grain storage	Italgrani SPA	1980,	\$15 million
New England Milling Company	Boston, MA	Grain milling	Italgrani SPA	1987	N.A.
Plant Cell Research International	Dublin, CA	Biotechnology	Gruppo Ferruzzi	1987	N.A.
Ireland:					
Beatreme Food Ingredients Inc.	Beloit, WI	Food seasonings	Waterford PLC	1988	\$130 million
Chateau Elan	Napa, CA	Winery	Donald Panoz	1984	N.A.
Dairyland Products	Savage, MN	Dairy product ingredients	Kerry Foods PLC	1984	N.A.
Galloway West Cheese Company	Fond du Lac, WI	Cheese	Waterford PLC	1989	\$30 million

Continued--

Appendix table 3--European Community investments in U.S. agribusiness--Continued

Company	Location	Economic activity	Investor	Year	Purchase price
Netherlands:					
American Natural Snacks Incorporated	St. Augustine, FL	Snack foods	Koninklijke Wessanen NV	1986	\$7.5 million
Award Foods	Dallas, TX	Fruits and vegetables, wholesale	Koninklijke Wessanen NV	1988	N.A.
Borden's/Wyler's Powdered Soft Drinks Division	New York, NY	Beverages	Unilever NV	1987	N.A.
Crowley Foods	Binghamton, NY	Dairy products	Koninklijke Wessanen NV	1983	\$16.4 million
First National Supermarkets	Maple Heights, OH	Supermarkets	Ahold NV	1988	N.A.
Giant Food Stores	Carlisle, PA	Supermarkets	Ahold NV	1981	N.A.
Green's Dairy	York, PA	Dairy products	Koninklijke Wessanen NV	1986	N.A.
Greenhouse, Incorporated	Albany, NY	Groceries, wholesale	Koninklijke Wessanen NV	1988	N.A.
Gourmet Foods, Incorporated	St. Paul, MN	Groceries, wholesale	Koninklijke Wessanen NV	1988	N.A.
Heluva Good Cheese	NY	Cheese	Koninklijke Wessanen NV	1984	N.A.
International Cheese Company	Hinesburg, VT	Cheese	Tiense Suiker International BV	1987	N.A.
International Seeds, Incorporated	Halsey, OR	Seed company	Cebeco-Handelsraad	1988	N.A.
Interstate Seed Company	Fargo, ND	Seed company	Vanderhave Seed Company	1980	N.A.
J.H. Filbert, Inc.	Baltimore, MD	Vegetable oils	Unilever NV	1986	N.A.
Loma Linda Foods, Incorporated	Riverside, CA	Food processing	Verenigde Bedrijven Nutricia	1989	N.A.
Ohio Purefoods	Akron, Ohio	Canned fruits, vegetables	Koninklijke Wessanen NV	1988	N.A.
Tree of Life Foods, Incorporated	Tampa, FL	Health foods	Koninklijke Wessanen NV	1985	\$15 million

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Appendix table 3--European Community investments in U.S. agribusiness--Continued

Company	Location	Economic Activity	Investor	Year	Purchase price
Spain:					
Gloria Ferrer Champagne Caves	Sonoma, CA	Winery	Freixenet SA	1986	\$9 million
United Kingdom:					
Almaden Vineyards	San Jose, CA	Winery	Grand Metropolitan PLC	1987	\$128 million
Alpo Pet Foods	Minneapolis, MN	Pet foods	Grand Metropolitan PLC	1989	N.A.
Amstar Sugar Corporation	New York, NY	Sugar refineries	Tate & Lyle Ltd.	1988	Purchased for \$310 million
Ashford Creameries	Minneapolis, MN	Dairy products	Hillsdown Holdings PC	1988	N.A.
Barton Brands LTD	Chicago, IL	Distilled beverages, wholesale	Amalgamated Distilled Products SLC	1982	\$38 million
Bernardi Food Company	Chicago, IL	Cookies, biscuits	United Biscuits PLC	1989	\$14.5 million
Buckingham Corporation	NY	Distilled beverages, wholesale	Whitebread and Company PLC	1984	\$110 million
Brasseire	Atlanta, GA	Restaurant	Ringo Starr	1986	\$2 million
Canada Dry Incorporated	White Plains, NY	Beverages	Cadbury-Schweppes Ltd.	N.A.	N.A.
Cadbury-Schweppes	PA	Beverages	Cadbury-Schweppes Ltd.	1981	\$4 million plant expansion
Carleton Woolen Mills, Inc.	Winthrop, ME	Woolen mills	Charterhouse Group, Ltd.	1980	N.A.
Christian Brothers Winery	St. Helena, CA	Winery	Grand Metropolitan PLC	1989	N.A.
Clos Dubois Wines	Healdsburg, CA	Winery	Allied Lyons PLC	1988	\$40 million

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Appendix table 3--European Community investments in U.S. agribusiness--Continued

Company	Location	Economic activity	Investor	Year	Purchase price
Collins Food Service Incorporated	Los Angeles, CA	Food service	Bunzl PLC	1987	\$40 million
Crush, International	Cincinnati, OH	Beverages	Cadbury-Schweppes Ltd.	1989	\$220 million
Di Giorgio Company	San Francisco, CA	Food processing	Mim Group	1987	N.A.
DCA Food Industries Incorporated	N.A.	Food processing	Allied-Lyons PLC	N.A.	N.A.
Doric Foods Corporation	Mt. Dora, FL	Canned fruits and vegetables	Charterhouse Group PLC	1983	N.A.
Dry Milks, Incorporated	Louisville, KY	Dairy products, wholesale	Grand Metropolitan PLC	1980	N.A.
Dunkin Donuts	Randolph, MA	Donuts	Allied Lyons PLC	1990	\$325 million
Durkee French Foods	NJ	Food processing	Reckitt and Colman PLC	1987	N.A.
El Molino Mills	CA	Grain milling	Booker McConnell PLC	1984	N.A.
Glorious Food	NY	Restaurants	Banca Commerciale Italiana	1984	N.A.
G and G Produce Company	Los Angeles, CA	Fruits and vegetables, wholesale	Albert Fisher Group PLC	1988	Purchased for \$7.9 million
Garst Seed Company	Des Moines, IA	Seed company	Imperial Chemical Industries	1987	N.A.
General Mills Tom's Foods Division	Columbus, GA	Food processing	Joseph Rowntree Trusts	1983	\$215 million
Gold Bond Ice Cream	Hagerstown, MD	Ice cream	Unilever PLC	1989	N.A.
Good Humor Ice Cream	N.A.	Ice cream	Unilever PLC	N.A.	N.A.
Grace Cocoa	New York, NY	Chocolate products	N and W Berisford PLC	1988	N.A.
Green Giant	MI	Food processing	Grand Metropolitan PLC	1989	N.A.
Grisanti, Incorporated	IN, KY	Restaurants	BAT Industries	1984	N.A.
Guilford Industries, Inc.	Guilford, ME	Woolen mills	Debron Investments	1986	\$95 million

Continued--

Appendix table 3--European Community investments in U.S. agribusiness--Continued

Company	Location	Economic activity	Investor	Year	Purchase price
Haagen Dääz Ice Cream	Washington, DC	Ice cream	Grand Metropolitan PLC	1989	N.A.
Hardee's Food Systems, Inc.	Rocky Mount, NC	Restaurants	BAT Industries	1980	\$85 million
Hiram Walker, Incorporated	New York, NY	Distilled beverages	Allied Lyons PLC	N.A.	N.A.
Heublein's	Farmington, CT	Distilled beverages	Grand Metropolitan PLC	1987	N.A.
Illinois Packing Company	IL	Meat packing	British Petroleum	N.A.	N.A.
Inn at Perry Cabin	St. Michaels, MD	Restaurant	Sir Bernard Ashley	1990	\$6 million
J.E. Morgan Knitting Mills	PA	Knitting mills	Dawson International PC	1984	\$42.5 million
Jeno's Foods	N.A.	Food processing	Grand Metropolitan PLC	1989	N.A.
Joan of Arc	N.A.	Food processing	Grand Metropolitan PLC	1989	N.A.
Keebler Company	Elm, IL	Cookies, biscuits	United Biscuit Holdings Ltd.	1974	\$62.4 million
Kings Supermarkets	Calwell, NJ	Supermarkets	Marks and Spencer PLC	1988	\$108 million
Kirschner's Meat Processing Operation	Augusta, ME	Meat packing	Charterhouse Group Ltd.	1980	N.A.
Lawrey's Foods	CA	Food seasonings	Unilever PLC	1979	\$66.2 million
Lee Brand, Inc.	Calexico, CA	Fresh fruits, vegetables, wholesale	Dalgety PLC	1988	N.A.
Lipton Company	N.A.	Beverages	Unilever PLC	N.A.	N.A.
Mariah Packing Company	Columbus, IN	Food packing	British Petroleum	1988	N.A.
Modern Maiden Form Products, Inc.	New York, NY	Food processing	Allied Lyons PLC	1982	\$19.5 million
Mott's Apple Products	New York, NY	Apple products	Cadbury-Schweppes	1986	N.A.

Continued--

Appendix table 3--European Community investments in U.S. agribusiness--Continued

Company	Location	Economic activity	Investor	Year	Purchase price
Mont La Salle Vineyards	St. Helena, CA	Winery	Grand Metropolitan PLC	1989	\$100 million
Mr. Donut	Minneapolis, MN	Donuts	Allied Lyons PLC	1990	\$27 million
Oshita Produce Company	CA	Fresh fruits, vegetables, wholesale	Dalgety PLC	N.A.	N.A.
Pacific Molasses Co. (PM Ag Products)	San Francisco, CA	Molasses	Tate & Lyle Ltd.	N.A.	N.A.
Pennant Products, Inc.	Rochester, NY	Flour milling	Unilever PLC	1988	N.A.
Philip Brothers Sugar	New York, NY	Sugar refining	Grand Metropolitan PLC	1990	N.A.
Pillsbury Company	Minneapolis, MN	Food processing	Grand Metropolitan PLC	1989	\$5.8 billion
Refined Syrups and Sugars Refinery	New York, NY	Sugar refining	Tate & Lyle Ltd.	1976	N.A.
RJR's Soft Drinks and Subs	Atlanta, GA	Beverages	Cadbury-Schweppes Ltd.	1986	\$230 million
R.L. Mathis Certified Dairy Company	Decatur, GA	Dairy products	Masstock, Ltd.	1988	\$1 million
Roy Rogers Restaurants	Hillside, NJ	Restaurants	BAT Industries	1990	\$365 million
Purina Mills	Louisville, KN	Pet foods, food processing	British Petroleum	1986	\$500 million
Ragu Food Company	CN	Food processing	Unilever PLC	1987	N.A.
Red Cheek, Incorporated	PA	Apple products	H.P. Bulmer Holdings	N.A.	N.A.
Robert A. Johnston Ready Crust Division	WI	Pie crusts	United Biscuits Ltd.	1980	\$36 million
Ross Poultry Breeders, Incorporated	Thorton, AL	Poultry breeding	Imperial Group, Ltd.	1980	\$4 million
Sandoz Chemical Corporation	Charlotte, NC	Agricultural chemicals	Sandoz, Ltd.	1988	\$923 million
Santa Fe Driscoll Packers Incorporated	CA	Fruit packing	Dalgety Ltd.	1978	N.A.
Schenley Industries, Inc.	New York, NY	Distilled beverages	Guinness PLC	1987	N.A.

Continued--

Appendix table 3--European Community investments in U.S. agribusiness--Continued

Company	Location	Economic activity	Investor	Year	Purchase price
Seed and Farm Supply, Incorporated	Libe, CA	Seed company	Tate & Lyle PLC	1975	N.A.
Shaw Supermarket PLC	Bridgewater, MA	Supermarket	Sainsburg J.	1987	N.A.
Sheed's Food Products, Incorporated	MI	Vegetable oil products	Unilever PLC	1984	N.A.
Specialty Brands, Inc.	CA	Food processing	United Biscuits Holdings	1979	\$50 million
Spiegel Foods	Salinas, CA	Fruit and vegetable packing	Dalgety Ltd.	1974	\$11 million
Staley Continental Inc.	R. Meadows, IL	Sugar refineries	Tate and Lyle PLC	1988	\$1.5 billion
Sundance Soft Drink Company	Detroit, MI	Beverages	Guinness PLC	1989	\$58 million
Sunstar's Consumer Foods Division	Minneapolis, MN	Canned fruits, vegetables	Ranks Hovis McDougal PLC	1989	\$6.8 million
Taco Villa Restaurants	Dallas, TX	Restaurants	Unigate PLC	1987	N.A.
Taylor Food Products, Inc.	Compton, CA	Canned fruits, vegetables	Cadbury-Schweppes PLC	1988	N.A.
Tasty Cookie Company	Louisville, KY	Cookies, biscuits	J. Lyons and Company	1974	N.A.
Tetley Tea Company	N.A.	Beverages	Allied Lyons PLC	N.A.	N.A.
Tio Sancho Foods Company	Prince Frederick, MD	Food processing	Unilever PLC	1988	N.A.
United Distillers	New York, NY	Distilled beverages	Guinness PLC	1990	N.A.
United Packing	Sanger, CA	Fruit and vegetable packing	Christian Salvesen Ltd.	1986	N.A.
Van dan Bergh Foods Incorporated	New York, NY	Food processing	Unilever PLC	N.A.	N.A.
VMS	Montgomery, AL	Sugar refinery	Tate & Lyle PLC	N.A.	N.A.
Vigortone Ag Products	Cedar Rapids, IA	Agricultural chemicals	Tate & Lyle PLC	N.A.	N.A.
Western Dairy Products, Incorporated	San Francisco, CA	Dairy products	Grand Metropolitan PLC	1981	N.A.
Western Sugar Co.	CA	Sugar refinery	Tate & Lyle PLC	N.A.	N.A.

N.A. = Not available.

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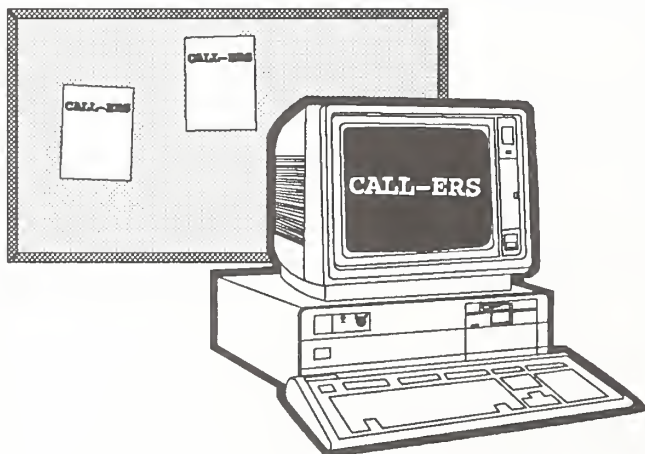
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